CA2ON
Z 1
-63A22

NOV 25 1963

B R I E F

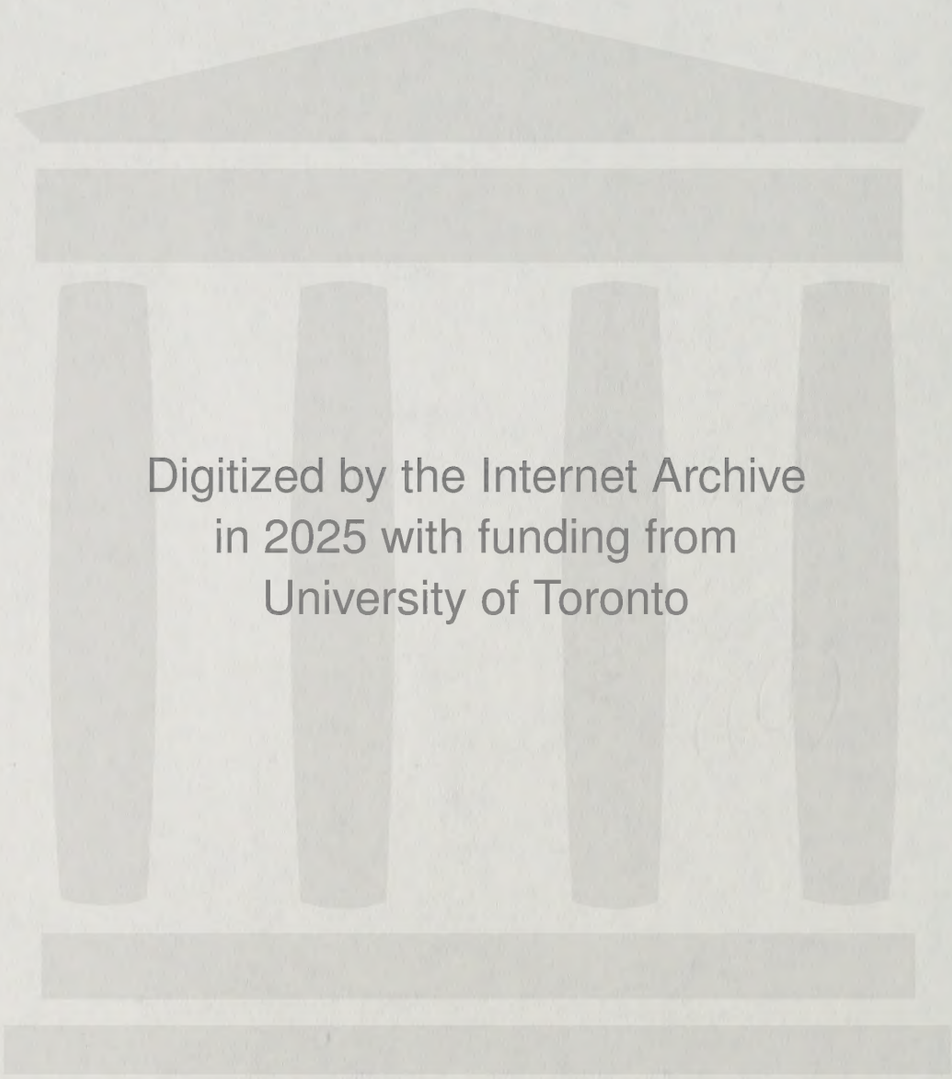
To

THE ONTARIO COMMITTEE ON TAXATION

Submitted by

THE ONTARIO ASSOCIATION OF ARCHITECTS

Toronto, Ontario,
November 22, 1963.



Digitized by the Internet Archive
in 2025 with funding from
University of Toronto

https://archive.org/details/submissionstaxat035onta

ONTARIO ASSOCIATION OF ARCHITECTS

John D. Millar, Secretary • 50 Park Road, Toronto 5, Ontario • Tel. 921-3109

B R I E F

To the Chairman and Members,
The Ontario Committee on Taxation.

Gentlemen:

This memorandum deals specifically with the problem of municipalities faced with cost of accommodation, education, and taxation, exceeding income. The primary objective should be an attempt to explore the possibility of providing both the services and the educational facilities required at a lower per capita cost, rather than to explore the possibility of raising more moneys through new sources of revenue.

The brief is based on the following premises:

(1) The present preference for the single family form of accommodation on 60'-0" lots is the most expensive form to service.

(2) Every family unit that is established is an added financial burden on the municipality.

(3) The population will continue to grow at an increasing rate each year.

(4) It is more economical to house 100 family units in one large shelter than in 100 small shelters.

(5) The greater the need becomes for each child to attain a higher degree of education, and the greater the length of time he remains at school, and the more complex and expensive the required teaching aids become, the greater the allocation for education will be from each

tax dollar received, unless a change in the present system of providing teaching accommodation is initiated.

It is a fact that existing legislation and existing sources of mortgage money both tend to encourage home ownership of single family dwellings. In terms of the Federal government, the National Housing Act has made possible a greater percentage of the population to become home owners. In terms of the local government, the official plan and zoning by-laws have favoured the construction of single family residences. As a result, the new suburban areas consist of endless acres of single unit housing forms.

Existing sub-division agreements generally require of the sub-divider that he put in the roads, dedicate 5% of his land for public use and pay a lot contribution to the municipality to help offset the cost of services. The apartment builder, on the other hand, does not make a capital contribution for the services, although he too dedicates 5% of his land to the municipality. Councils, then, are more than reluctant to consider any request for a change in the zoning plan for fear that the cost of providing the services which the higher density zone would demand, will have to be borne by the other taxpayers.

One of the factors which has tended to force Council to pay more attention to the sewer than to the flower is a mistaken belief that everyone must be housed in his own home on his own 60'-0" lot. The cost of providing police protection, ambulance service, garbage collection, snow removal, street cleaning, street lighting, curbs, side-walks, roads, gas, telephone, water, sewer, and storm mains, is out of all reason when one considers the cost involved to provide these same services to many families housed in one large unit.

Under our existing conditions a municipality must issue debentures in order to finance these services. The amount borrowed, of course,

being the substantial difference between tax revenue and capital expenditure. Unfortunately, the cost of carrying this debt is passed back to the taxpayer, and so a vicious spiral begins, in which the householder's assessment is insufficient to pay for his needs, causing the municipality to borrow money on his behalf, and then to pass back to the taxpayer the cost involved in this borrowing process. In an attempt to relieve the householder of this burden the municipality relies heavily on its commercial and industrial assessment. There is generated a great competitiveness amongst neighbouring municipalities for these sources of income. Invariably, then, the municipality which most desperately needs added revenue from industry and commercial interests is faced with the added and distinct disadvantage of trying to attract them to locate within their boundaries, at the same time being forced to raise the mill rate, driving the potential income producer away.

It is assumed that, under present conditions and the existing regulations, we can reasonably expect to have our taxes increased each year by the municipality. Should no changes be made to the status quo we might again reasonably expect that as the pressure for new housing units mounts with each succeeding generation, the municipality will be forced to debenture itself deeper and deeper into bankruptcy in order to provide even the most elementary services and education facilities. Any hope or desire to acquire the refinements of a civilized population will be impossible of achievement.

Our proposed solution is to encourage more of the population to locate in apartments: thereby reducing the net per capita cost of servicing them; thereby reducing our per capita municipal indebtedness; thereby enabling a per capita reduction in taxes; thereby generating new impetus for industry to locate within its boundaries; thereby increasing the municipalities' total revenue.

We suggest that the physical form envisaged by the word "apartment" will not necessarily be multi-floor slab buildings only, but will include, grouped about the base, high density forms of horizontal units as well.

It is further proposed that the cost of educating the children can be reduced by making legislation available and by encouraging the incorporation, in large apartment site developments, of the necessary school plant facilities.

Some of the questions raised from the foregoing are: how does one encourage this trend towards apartment living; how does one offer a family the same equity in his apartment unit that he acquires when he buys his own home; how does one incorporate the school within the apartment; how does one provide the same amenities in this form of housing that a family now expects with his separate detached residence.

First, we must plan our municipalities on a higher density per acre than is now generally the case.

Second, the individual units of the large shelter must be capable of being purchased by its inhabitants, thus creating a family equity, i.e. N.H.A. and private mortgage funds must be made available for this new use.

Third, the apartment developments themselves must be of sufficient size to support an elementary school within their own grounds, i.e. from three to four hundred families.

Fourth, the teaching facilities required for the school population within this complex must be planned as an integral part of the main building, with provision made for an expansion or contraction of

teaching areas in five year periods, as the need fluctuates. The assumed minimum school age population to be cared for will be in accommodation planned exclusively for educational needs and will include administrative quarters and general purpose rooms. The overflow school population will be accommodated by converting, from apartment use to teaching use, areas on the second floor level. As the need for this secondary accommodation wanes, the unused space is re-allocated for apartment units and is leased for a further five years for family accommodation. That part of the school grant, presently paid to Boards of Education, to acquire sites and to build schools, would be paid to the apartment owner, who would retain ownership of the lands and the physical plant.

Fifth, within this complex of housing units, educational facilities, and recreational areas, provision would be made for all segments of the population to share in use of the facilities.

It is envisioned that one maintenance staff and one set of equipment would be more economical to operate than the present situation in which a six acre site is purchased by the Board of Education for its school plant, while the municipality provides a neighbouring three acre park, and the apartment owner provides open green areas to comply with the zoning regulations. A more intensified use of the land and plant should normally be expected to result in an ultimate saving.

Remembering that the ultimate source of all revenue is the individual, it is reasonable to assume that the ultimate saving must also attain to the individual.

Our present conception of apartment living is directed primarily to the single person, the childless couple, and the elderly retired individual. The concept involved in this brief is one in which the design is based on

all of the foregoing, but with one entirely new emphasis: that of the growing family with active children. There appears to be no reason why this should present a problem for either the sociologist or the designer.

To carry the premise further, that more people in a smaller area cost the municipality less per capita, it is suggested that the apartment owner would continue to pay his real property tax, and that the tenant would have a specified percentage of his rent, perhaps 5%, added to cover the cost to the municipality of providing the services he enjoys. The owner would remit to the municipality each month, in a manner similar to the remittance of the employee's income tax deductions, the tax collected from each of his tenants. Should the family be purchasing their suite on a normal 25 year N.H.A. mortgage, the mortgager would remit to the municipality the full year's tax assessment in advance, for a cash discount, in the same manner in which he now treats the amortized monthly principal & interest installment payments on an N.H.A. mortgaged home. In either case, the municipality receives the tax revenue each month, lowering the cost of its operation. This same principle of a direct 5% of rent levy would apply to all tenants in rented accommodation in individual houses. In a democracy, of course, we acknowledge that some family units will desire their own home. It is suggested that in so far as tax revenue is concerned, the municipality should be entitled to collect, by way of a premium, some of the additional cost to which it is being put as result of this individual choice.

This concept of individual housing units within a large shelter should result in:

(1) A better sociological concept in which various age groups, interests, and economic levels are blended more harmoniously than is the case in our rigidly controlled R1, R2, R3 type zoning bylaws.

(2) A more efficient use of the land to which the municipality can provide the services we demand in concentrated quantities. The municipality can eliminate the need for separate areas of substantial acreage set aside for "one use" functions.

(3) A lower servicing cost per capita.

(4) A similar feeling of achievement, and of belonging, for the family living within a large complex, which he presently seeks, but does not always find, when he purchases his home in suburbia.

(5) A lowering of a municipality's long term indebtedness and a reduction in its current revenue needs.

(6) A revitalization of older established areas where this concept is most likely to win approval, and, subsequently, an increased tax revenue from the commercial establishments by virtue of a healthier economic climate.

(7) A fuller programme of parks, recreation, school, and housing needs in a more efficient and community like atmosphere than is presently possible.

We suggest that, to encourage the local municipalities to change their present attitude which favours one of the most expensive forms of housing, legislation be enacted which would allow a levy per suite to be imposed at the time council enters into an agreement with the apartment builder.

We also feel that so long as our planning must be accomplished within the existing municipal boundaries we can not hope to achieve the best and most economic use of the land. So long as each planning authority must attempt to formulate its own sound assessment and housing programme, the concept of mass housing can, at best, be but a partial cure for the problem of increasing taxes.